BUDGET RESOLUTION/Disabilities Reserve Fund

SUBJECT: Senate Concurrent Budget Resolution for fiscal years 1999-2003 . . . S.Con. Res. 86. Feingold motion to waive the Budget Act for the consideration of the Feingold amendment No. 2224.

ACTION: MOTION REJECTED, 47-51

SYNOPSIS: As reported, S.Con. Res. 86, the Senate Concurrent Budget Resolution for fiscal years 1999-2003, will balance the unified budget in 1998 and will run surpluses for each of the next 5 fiscal years. Both Federal spending and Federal revenues will increase 3.5 percent from fiscal year (FY) 1998 to FY 1999. All surpluses will be reserved for Social Security reform. A reserve fund will be established to allow the entire Federal share of revenues resulting from a potential tobacco settlement to be dedicated to bolstering Medicare's solvency.

The Feingold amendment would create a reserve fund to allow adjustments of up to \$2 billion over 5 years to the budget's revenue and spending aggregates (meaning to allow up to \$2 billion in tax increases to pay for up to \$2 billion in mandatory spending increases) "to finance disability programs designed to allow persons with a disability to become employed and remain independent." The amendment also would require those adjustments to be deficit-neutral, though that requirement is essentially meaningless because, if they were not, any attempt to spend would be subject to a 60-vote point of order for violating "paygo" (deficit neutrality) requirements. The only effect of the amendment would be to allow the consideration of new tax-and-spend entitlement legislation of up to \$2 billion later this year without that legislation being subject to a 60-vote point of order.

The Feingold amendment was considered after all debate time had expired. However, by unanimous consent, 2 minutes of debate were permitted. After debate, Senator Domenici raised a point of order that the amendment violated section 305(b)(2) of the Budget Act. Senator Feingold then moved to waive the Budget Act for the consideration of the amendment. Generally, those favoring the motion to waive favored the amendment; those opposing the motion to waive opposed the amendment.

NOTE: A three-fifths majority (60) vote is required to waive the Budget Act. After the vote, the point of order was upheld and the amendment thus fell.

YEAS (47)			NAYS (51)			NOT VOTING (2)	
Republicans (4 or 7%)	Democrats (43 or 98%)		Republicans (50 or 93%)		Democrats (1 or 2%)	Republicans (1)	Democrats (1)
Chafee Jeffords Snowe Specter	Akaka Baucus Biden Bingaman Boxer Breaux Bryan Bumpers Cleland Conrad Daschle Dodd Dorgan Durbin Feingold Feinstein Ford Glenn Graham Harkin Hollings Johnson	Kennedy Kerrey Kerry Kohl Landrieu Lautenberg Leahy Levin Lieberman Mikulski Moseley-Braun Moynihan Murray Reed Reid Robb Rockefeller Sarbanes Torricelli Wellstone Wyden	Abraham Allard Ashcroft Bennett Bond Brownback Burns Campbell Coats Cochran Collins Coverdell Craig D'Amato DeWine Domenici Enzi Faircloth Frist Gorton Gramm Grams Grassley Gregg Hagel	Hatch Hutchinson Hutchison Inhofe Kempthorne Kyl Lott Lugar Mack McCain McConnell Murkowski Nickles Roberts Roth Santorum Sessions Shelby Smith, Bob Smith, Gordon Stevens Thomas Thompson Thurmond Warner	Byrd	EXPLANAT 1—Official F 2—Necessar: 3—Illness 4—Other SYMBOLS: AY—Annou AN—Annou PY—Paired PN—Paired	ily Absent nced Yea nced Nay Yea

VOTE NO. 82 APRIL 2, 1998

If a budget resolution does not include changes in revenues or outlays for subsequent tax or spending legislation that presumably may be enacted, a mechanism called a "reserve fund" can be added to the resolution that will allow the Budget Committee Chairman to make adjustments to it after it has passed in order to accommodate such legislation, if necessary. Reserve funds have usually been included in budget resolutions either to approve the consideration later in the year of tax-and-spend proposals by Democrats or tax relief-spending cut proposals by Republicans. Without reserve funds, such proposals are subject to 60-vote points of order, even if they do not violate the "paygo" (deficit neutrality) requirement for tax and mandatory spending proposals. Tax cuts cannot be paid for with spending cuts, unless approved in a reserve fund, because such approval would trigger a 60-vote point of order against considering proposals that would lower projected revenues below the revenue floor set in the budget resolution. Similarly, new entitlement spending cannot be paid for with new taxes, unless approved in a reserve fund, because such approval would trigger a 60-vote point of order against entitlement spending in excess of the aggregate mandatory outlay ceiling set in the budget resolution. Reserve funds allow the floor and the ceiling to be changed, respectively, and thus avoid the points of order.

Those favoring the motion to waive contended:

The Feingold amendment would create a reserve fund that could be used later in this year to pay for legislation to help disabled people become independent. Though it does not mention any specific legislative proposal, the intent would be to use it to pay for the enactment of the bipartisan Work Incentive Act. That Act will make it possible for millions of Americans with disabilities to become employed and independent by guaranteeing them access to affordable health care. Many people with disabilities want to work but they cannot because if they did they would lose the health care that they need. If passage of that bill got just 1 percent of the 7.5 million disabled Americans off of public assistance and into the workforce it would result in cash savings of more than \$3.5 billion. This amendment would supposedly allow increased taxes and spending, but it would end up saving money by reducing other spending even more. We urge Senators to support this amendment by voting in favor of the motion to waive the Budget Act.

Those opposing the motion to waive contended:

The budget resolution before us already will adequately provide for the needs of Americans with disabilities, and in many cases it will provide greater funding than President Clinton requested. It will provide that funding without increasing taxes and spending. If our colleagues had suggested paying for new entitlement spending by cutting other entitlement spending we would have been willing to give greater consideration to their amendment. Unfortunately, the bottom line is that this is yet one more tax-and-spend proposal that has been offered to this resolution. We will oppose it for that reason.